



Greenhouse Gas Emissions: Joint Agency Final Opinion and Next Steps

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Topics

- Joint Agency Final Opinion Adopted Unanimously by Both Commissions on 10/16/08
- Areas for Follow-up Work
- Post-Scoping-Plan Adoption Activities and Collaboration with ARB



Joint Agency Final Opinion

- Opinion Adopted Unanimously by Both Commissions on October 16, 2008
 - Energy Efficiency: Cornerstone for achieving majority of GHG reductions
 - Renewable Energy: Stepping stone to meeting 2050 GHG reduction goals
 - Market-based regulations: Complement and backstop to regulatory measures



Ongoing Work on Energy Efficiency and Renewables

- Public Utilities Commission and Energy Commission will continue to improve
 - Energy efficiency programs
 - Codes and standards
 - Renewables portfolio standard program, including development of a 33% framework
 - Solar Initiative and New Solar Homes Partnership
 - Solar Hot Water



Future Work on Allowance Allocation Details

- Weighting factors for fuel-differentiated, output-based allowance allocations to deliverers
- Updates to deliverer-specific, output-based proportions used in the distribution process
- Allowance allocations to new retail providers
- Whether and how allowances should be distributed for verified energy efficiency
- Whether and how allowances should be set aside for the voluntary renewable electricity market



Future Work on Combined Heat and Power

- Comprehensive assessment of market and regulatory barriers to combined heat and power
- Public Utilities Commission to open proceeding on long-term policy for investor-owned utility procurement of combined heat and power electricity output
- Energy Commission to open proceeding on December 17, 2008 to develop and adopt efficiency guidelines for combined heat and power for investor-owned and publicly owned utilities



Future Work on Electrification Issues

- Analysis of potential impacts on electric sector allowance allocations from electrification in other sectors, especially transportation
- Analysis of potential impacts on electric sector of increased use of natural gas as a transportation fuel



Future Work on Natural Gas Issues

- Potential for natural gas sector contributions to GHG reductions beyond energy efficiency
- Potential additional work on allowance allocation for natural gas sector, if it is included in a cap and trade system at the outset (2012)



Additional Follow-Up Work

- Request for Rehearing/Reconsideration of *Final Opinion* filed November 21 by Los Angeles Department of Water and Power
 - Request will undergo independent legal review at Public Utilities Commission and reconsideration at Energy Commission
- Conducting briefings for Legislative members and staff



Continued Collaboration with ARB

- Dependent on public input and ARB adoption of Scoping Plan planned for December 11
- Two-year window for public input on developing regulations and designing cap-and-trade program
- Program launches January 1, 2012
- Look forward to continuing to work with ARB and other stakeholders as rulemaking process moves forward



More Information

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Thank You

